



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

## **TENNESSEE MAN PLEADS GUILTY TO \$20 MILLION TIME-SHARE FRAUD AT TWO BRANSON HOTELS**

**SPRINGFIELD, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced today that a Tennessee man has pleaded guilty in federal court to defrauding hundreds of victims of more than \$20 million through an investment scheme involving two Branson, Mo., hotels.

**Dennis Ray Weaver**, 55, of Jackson, Tenn., waived his right to a grand jury and pleaded guilty before U.S. Magistrate Judge James C. England on Oct. 14, 2004, to a federal information that charges him with mail fraud.

By pleading guilty, **Weaver** admitted that he marketed phony time-share investment opportunities in the Branson Inn and Dogwood Inn from July 2000 through August 2003, generating more than \$27 million in revenue and causing an actual loss in excess of \$20 million from several hundred victims.

“Victims purchased their time-share lease from **Weaver** and were led to believe they would get a return on their investment by sub-leasing their hotel rooms through another company,” Graves said. “In reality, most of the rooms were never rented out. Any return the victims received actually came from money paid by other investors who also purchased leases, not from any vacationers renting the rooms.”

**Weaver** served as president and treasurer of Branson City Limits (originally incorporated in February 2000 as Forever Country Theatres, Inc.), which purchased an entertainment complex in Branson consisting of two theaters, a restaurant, and a hotel named the Branson Inn, for approximately \$27 million. The down payment of approximately \$5 million was paid with money that came from First Choice Management Services, a corporation formed in the state of Nevada in which **Weaver** was on the board of directors and served as secretary. The remaining

\$22 million was placed in a promissory note that was secured by the complex. In addition to the \$5 million down payment, at least another \$1.6 million for operating expenses was transferred to Branson City Limits from First Choice.

“Branson City Limits never had the ability to meet its financial obligations through legitimate business operations,” Graves said. “Instead, **Weaver** profited from an illegal Ponzi scheme to defraud hundreds of investors, including some who lost their retirement savings.”

**Weaver** began marketing “leisure leases” (also called “universal leases”) through Branson City Limits in July 2000. A leisure lease was a lease of a hotel room in the Branson Inn for one week each year for a term of years (usually 20 to 25 years). Leaseholders paid \$4,500 for a leisure lease, which entitled them to stay in the room during that week each year. Leaseholders could sublease the room-week instead, or enter into an agreement with a third party management company for the third party to sublease the room-week. The management company would then pay the leaseholders rental income each year equal to 11 percent of the cost of the lease.

Leaseholders were told that Branson Inn would be renovated and replaced with better quality condominiums. But Branson City Limits performed no significant renovation of and only minimal maintenance on Branson Inn, Graves said.

From the beginning, Graves said, **Weaver** knew that virtually all leaseholders were purchasing the leisure leases as investments based on the expectation a third party management company would pay them rental income equal to an 11 percent return on their investment, and many leaseholders purchased multiple room-weeks.

Branson City Limits offered to have a supposedly unaffiliated third party contact the leaseholder for those management agreements. In reality, Graves said, **Weaver** and others working with him sent all requests for information on third party management companies to a single entity. At first, the requests were sent to Realty Property Management in Branson. Later, they were sent to Ozark Ticket and Travel, also in Branson. Both companies followed the same general procedure, entering into agreements with leaseholders to manage the rental of their room-weeks, without any significant effort to actually rent the rooms. No records were kept to determine whether a particular leaseholder’s room had in fact been rented and for what rate. Instead, Graves explained, these firms simply computed the rental payments due each month and notified Branson City Limits, which then transferred that amount of money (plus the third party fee) to those firms. Realty Property Management and Ozark Ticket and Travel then mailed the appropriate amount of “rental income” to each leaseholder.

**Weaver** admitted that he knew no truly unaffiliated third party would agree to pay the leaseholders an 11 percent return, because the rooms at the Branson Inn could not be rented on a sufficiently regular basis or for a sufficient rate to pay the leaseholder \$70 per night plus reasonable compensation to the third party for its services in managing the rental of the rooms.

The “rental income” paid to leaseholders by Realty Property Management actually came from two sources, Graves said – money fraudulently obtained by First Choice Management

Services and transferred to Branson City Limits, and from money paid by other leaseholders who signed up for leisure leases.

Branson City Limits had spent all the money it received from First Choice Management Services by the end of November 2000. In the spring of 2001, Branson City Limits began sending leaseholder requests for information about third party management companies to Ozark Ticket and Travel. As before, Graves said, the “rental income” paid to leaseholders actually came from money paid to Branson City Limits by other investors who purchased leases.

In May 2002, **Weaver** and some of those working with him formed Resort Hotels, Inc., headquartered in Florida. Resort Hotels purchased the Dogwood Inn in Branson for \$5.1 million on May 3, 2002, paying \$300,000 down, another \$700,000 in 90 days, and a promissory note for \$4.1 million. Resort Hotels obtained the down payment and most of the \$700,000 from Branson City Limits. **Weaver** and others began marketing leisure leases for the Dogwood Inn under the same kind of arrangement with Ozark Ticket and Travel.

The Dogwood Inn’s operating expenses also exceeded its revenue. “As with Branson Inn,” Graves said, “the so-called ‘rental income’ paid to Dogwood Inn leaseholders actually came from money paid by other investors who purchased leases, not from any vacationers renting the rooms.”

Both Branson Inn and Dogwood Inn closed in November 2003.

**Weaver** and others sold leisure leases in the Branson Inn from July 2000 through October 2002, generating more than \$10 million in revenue.

**Weaver** and others sold leisure leases in the Dogwood Inn from June 2002 through August 2003, generating more than \$17 million in revenue. Realty Property Management and Ozark Ticket and Travel returned less than \$4 million to leaseholders in the form of “rental income.”

By pleading guilty today, **Weaver** admitted that the number of leisure leaseholders who lost money in this scheme significantly exceeds 250. **Weaver** also admitted that the actual loss to victims from this scheme exceeds \$20 million. **Weaver** agreed that he should be ordered to make restitution to victims of the scheme.

Under federal statutes, **Weaver** could be subject to a sentence of up to 20 years in federal prison without parole, plus a fine up to \$250,000 and an order of restitution . A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Douglas C. Bunch. It was investigated by the Federal Bureau of Investigation.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at  
[www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)